

# HOUSE . . . . . No. 2578

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By Mr. Sannicandro of Ashland, petition of Tom Sannicandro and others relative to elderly real estate tax credits. Revenue.

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## The Commonwealth of Massachusetts

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### PETITION OF:

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| Tom Sannicandro      | Robert A. DeLeo   |
| Barbara A. L'Italien | Deborah D. Blumer |
| Joyce A. Spiliotis   |                   |

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In the Year Two Thousand and Five.

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AN ACT RELATIVE TO A SENIOR PROPERTY TAX CREDIT.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 To amend Massachusetts General Laws Chapter 59, by adding  
2 the following as § 5L. Property tax liability reduced by a ratio of  
3 school expenditures; persons over age 65.

4 In any city or town which accepts the provisions of this section,  
5 the board of selectmen of a town or in a municipality having a  
6 town council form of government, the town council or the mayor  
7 with the approval of the city council in a city may establish a pro-  
8 gram to allow persons over the age of 65 to receive a credit on  
9 their property tax bill based on the school expenditures for that  
10 city or town. In order to qualify for this credit, the person must be  
11 65 years of age or older as of the year of application and who has  
12 been a resident for 10 years or more in the town, has paid property  
13 taxes for 10 years or more and utilizes the property as his prin-  
14 cipal residence and there is no one staying in the residence for  
15 more than 60 days during the Fiscal Year who is either under the  
16 age of 6 years old or who attends a public or private pre-school,  
17 nursery school, elementary school, middle school, junior high  
18 school or senior high school or similar school.

19 Applicants shall meet the following income and asset require-  
20 ments for eligibility, if single incomes of \$50,000 or less, if mar-

21 ried \$60,000 or less and assets of \$75,000 or less not including the  
22 primary residence and 1 motor vehicle registered to the applicant.  
23 The assessments and tax rate changes of senior qualified proper-  
24 ties shall be recalculated on an annual basis. The lesser of the cal-  
25 culations will prevail as the property tax levy for that year. For the  
26 purpose of this exemption, income means the “adjusted gross  
27 income” for federal income tax purposes as reported on the appli-  
28 cant’s latest available federal or state income tax return for the  
29 applicable income tax year, subject to any subsequent amend-  
30 ments or revisions, reduced by distributions, to the extent included  
31 in federal adjusted gross income, received from an individual  
32 retirement account and an individual retirement annuity; provided  
33 that if no such return was filed for the applicable income tax year,  
34 income means the adjusted gross income that would have been so  
35 reported if such a return had been filed.

36 The amount of the credit shall be calculated as follows:

37 The amount of the total tax due the municipality from the quali-  
38 fying senior shall be multiplied by the amount the municipality  
39 pays for schools divided by the amount of the total town budget  
40 for that fiscal year, divided by 10. For qualifying individuals,  
41 whose income is less than 18,000 per year, the above credit shall  
42 be twice that amount.

43 The city or town shall reduce the real property tax obligations  
44 of such person over the age of 65 on his tax bills and any reduc-  
45 tion so provided shall be in addition to any exemption or abate-  
46 ment to which any such person is otherwise entitled.

47 Participation in this program is nullified when the homeowner  
48 who is 65 or older moves permanently from the property or the  
49 property is sold and deeded to a new owner. The board of asses-  
50 sors shall prepare a simple application for participation in the pro-  
51 gram and shall oversee its administration. In no instance shall the  
52 amount by which this program reduces a person’s property tax lia-  
53 bility be considered income for the purpose of taxation.

54 Such cities and towns shall have the power to create local rules  
55 and procedures for implementing this section in any way consis-  
56 tent with the intent of this section.